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## Wyoming Plays It Cool

*State Hopes Brisk Climate, Low Energy Costs Will Attract Huge Data Centers*

By STEPHANIE SIMON

CHEYENNE, Wyo.—This state is well known for its cowboys, coal and cattle, but these days Gov. Matt Mead is more interested in talking up the weather.

In an effort to diversify the economy and give young college graduates a reason to stick around, Mr. Mead is determined to bring high-tech jobs to Wyoming. He is pitching the state's brisk climate as an ideal draw for data-processing centers.



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Otto Schulze for The Wall Street Journal

Pipes to be used in the construction of EchoStar Broadcasting's new, 77,000 square-foot data-processing center in Cheyenne, Wyo.

Such centers contain row after row of servers that collect and process streams of information for businesses and government agencies. And all those computers, working around the clock, generate a lot of heat.

In most climates, data centers make extensive, and expensive, use of air conditioning. In Wyoming, the chilly winters and mild summers mean ambient air can be used to cool servers up to nine months of the year, said Jeff McSchooler, vice president of EchoStar Broadcasting.

After visiting more than 50 potential sites nationwide, the satellite TV company decided last summer to build a 77,000-square-foot data center in Cheyenne, where even at the height of summer the temperature rarely creeps above 82 degrees.

Air conditioning typically makes up roughly a third, and sometimes more, of a data center's utility bill, so the savings from cooler weather can be considerable, Mr. McSchooler said.

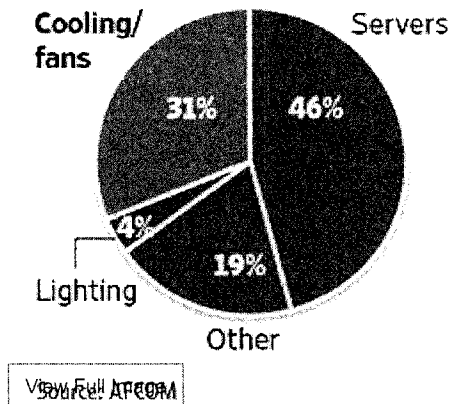
Other states offer similar advantages. FedEx, for instance, calculates that the data center it opened last month in Colorado Springs, Colo., will be able to keep the cooling systems offline more than 5,000 hours a year.

Wyoming has tried to set itself apart from other cold-weather states by promising cheap energy for data

## Chill Factor

While most data centers require extensive use of air conditioning, Wyoming's cooler climate could enable companies to make use of ambient air to cool servers.

AVERAGE DATA CENTER POWER USE



centers' enormous power needs, beyond cooling costs. Wyoming consistently has one of the lowest electricity prices in the nation. The state had the third-lowest pricing in the Rocky Mountain region, behind Idaho and Utah, in a survey of industrial electricity costs by the U.S. Energy Information Administration last fall.

To further heighten the state's appeal, the Wyoming legislature recently exempted most data-center software and equipment from sales taxes and appropriated \$15 million for infrastructure improvements to potential data-center sites.

Wyoming's first target: Verizon Communications Inc., which is scouting locations for a mega data center that could cost as much as \$4 billion to build and equip and provide as many as 200 positions paying up to \$85,000 a year, said Lynn Staggs, a company spokeswoman—a significant number of jobs in a thinly populated state. Verizon has acquired a two-year option on 160 acres outside Laramie, but hasn't made a final decision.

The tax breaks for data centers bother state Sen. Cale Case, an economist who says it's not fair to other businesses. An industry "hires a couple of smart lobbyists and we fall all over ourselves to give them a tax break," Mr. Case said. "Once the state starts granting special deals, where do you draw the line?"

State Sen. Michael Von Flatern has also criticized the initiative. Right now, the state budget is in good shape and can afford the tax breaks, he said. "But what's the fall-back position if state revenues drop?" he asked.

State Sen. Phil Nicholas says any revenue lost to the sales-tax exemptions will be offset by the benefits of positioning Wyoming as a high-tech leader. For one thing, he says, property valuations will jump whenever an expensive data center is built, boosting revenues from property taxes.

He and other legislators also predict that data centers will act as a magnet, drawing other high-tech industries to Wyoming. The state has already landed a branch of the National Center for Atmospheric Research, which this summer began construction on a \$70 million facility in Cheyenne that will house one of the world's fastest super-computers.

Even with the tax breaks and the cold weather, however, Wyoming faces hurdles to becoming a high-tech haven. A report last month by the U.S. Department of Commerce found that just 54% of Wyoming's population had access to high-speed broadband service—the lowest of any state.

While data centers can find ample broadband capability in Wyoming's big cities, including Cheyenne (pop. 58,000) and Laramie (pop. 29,000), the state needs to improve its rankings if it hopes to attract more high-tech entrepreneurs and start-up industries, Mr. Mead said, adding

—Rebecca Smith contributed to this article

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